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**Analysis of Strategic Tools Applications in Indian Service organisations**

Master's Thesis in  
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**ABSTRACT**

The objective of the study was to analyze service organizations' performance in India upon application of strategic tools. The strategic tools help organizations in strategy development, decision making and implementation. Assessment of strategy tools impact in service companies in India, a study was conducted, which used mixed method to analyze data. A total of 170 mid-level employees participated in the survey for quantitative analysis and 10 managers from the service sectors were interviewed for qualitative analysis. On statistical analysis, several factors such as promotion of teamwork, better decision making and positive financial outcomes and minimization the operational costs were found to impact the performance of service based organizations and were statistically significant with  $p < 0.05$  and 95% CI. On the other hand, interviews with managers revealed that that application of the tools helped their organization in promoting teamwork, decision making, and positive financial outcomes and minimization of operational costs. However, everything is not positive or easy with the usage of strategic tools and they often come with several challenges. Interestingly, the findings of the qualitative and the quantitative data were more or less similar with respect to application of strategic tools. Analysis of data suggested that the strategic tools usage definitely impacts the service organizations in a more positive way. However, the study has limitations as it is restricted to service organizations in India and cannot be generalized where the business environment maybe dissimilar to other countries with different challenges and opportunities.

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**KEYWORDS:** strategic tools, organizational performance, service sector organizations, strategy development.

# **1. INTRODUCTION**

## **1.1 Background**

### **1.1.1 Introduction to major strategic tools**

As contemporary business organizations confront intense global competition and extremely volatile external environments, a need has been realized of some tools that can assist the organizational managers in analysing and understanding the situations and make decisions to effectively deal with such situations. Strategy tools, in this regard, are being used extensively in modern organizations. Strategic tools, if aptly employed, can aid the firms to comprehend and meet stakeholders needs to achieve sustainable competitive advantage (Knott, 2006).

Strategic tools guide the organizations in strategy development, decision making, and implementation. These tools include all those concepts, notions, processes, and approaches that aid the organizations in these activities or have an influence on such organizational activities (Knott, 2006).

There are numerous strategy tools that are available to the strategy managers in an organizational context. However, the literature mostly presents the evidences of few models such as portfolio analysis models, the balanced scorecard (BSC); SWOT analysis, benchmarking tool, gap analysis, total quality management (TQM), relationship marketing, lean manufacturing, process mapping, business process re-engineering, market segmentation analysis, market share analysis, hyper-competition, cost-benefit analysis, employees' satisfaction analysis, price analysis, Six Sigma, Michael Porter's 5 force analysis, and PESTLE analysis, BCG matrix, Delphi technique, and financial modelling(Anna, 2015); (Thomas, 2015).



**Figure 1:** BCG Matrix (Mohajan, 2018)

The strategic tools and techniques commonly utilized by the organizations can be classified as analysis tools used for analysis of the information and encouraging novel ideas, facilitation tools to facilitate the organizational tasks, guide tools that show the path to organizational thinking and planning, problem framing tools for clearly understanding the organizational problems so that the most effective solutions can be identified, measurement tools used for the measurement purposes, planning tools to plan, anticipate, queuing and prioritizing; execution tools which are meant for aiding in the implementation of organizational plans, catalyst tools which act as the medium for change management in the organization, decision making tools to help the managers in getting to the best decisions, and communication or collaboration tools which encourage sound communication flow in the organization (Thomas, 2015). In the following section, we will discuss relevance of strategy tools for an organization.

### **1.1.2 Importance of applying strategic tools**

The turbulent and highly competitive global marketplaces in contemporary times compel business organizations to be vigilant of their internal and external environments. Strategic management has thus emerged as a field that can abet organizations to analyze and understand

the dynamism of their environments and do the needful. Also with the application of strategic tools, the organization can assess their strengths, weaknesses, opportunities as well as threats (Gunn and Williams, 2007).

Gone are the days when managers had limited issues to deal with at a time. Present day environments put the managers in such situations that they need to handle plethora of issues simultaneously. The use of strategy tools helps the managers to effectively handle diverse and complicated issues at a time. These tools aid the management in steering the direction of the business, understand competition, industry, and improve its offerings. This leads to higher stakeholder satisfaction and ultimately higher overall organizational performance (Wright, et al, 2013).

These tools are an essential part of modern organizations. In present times, the managers of large firms are actively employing a wide range of strategy tools for varied purposes including decision-making. They promote innovation and coordination in organizational systems and lead to attain better efficiency in operations. The employment of strategic tools helps the managers to establish standardized procedures which further facilitate coordination, monitoring and evaluation. These tools are also adopted to enhance creativity in the organization (Stenfors and Tanner, 2007). Their adoption can aid the firms in appropriately understanding and meeting the industry needs. As these tools help in gauging the performances at different levels by providing with uniform tools that help to compare the performances within the organizations, remedial actions can be taken on time for not-so-good performers while the good ones can be rewarded. Besides helping out in the analytical procedures, the strategy tools are also used to smoothen the communication flow in an organization (Qehaja

et. al, 2017). However, strategic tools application involves certain challenges as well which are highlighted in the next section.

### **1.1.3 Challenges in application of strategic tools**

Despite endowing the organizations with abundant benefits, the application of strategy tools may be challenging for the organizations. This is because these tools are not very much user-friendly and their application may require the organizational managers to learn newer skills and competencies. This is usually disliked by the managers as it not only demands upgrading their knowledge but also brings immense change in the systems and procedures being followed in the organization. Another prominent reason behind these tools not much liked by the managers is the difficulties involved in integrating strategic tools with the existing tools in the organization (Stenfors and Tanner, 2007).

However, even if these tools are applied, the managers can soon realize that these were not the appropriate ones for the organization. As there are rarely any customized strategy tools, selecting the correct one for the organization is a major issue. Further, the knowledge regarding mechanisms to evaluate the outputs obtained by the application of strategy tools is also usually lacking among the managers which constrain the scope of such tools (Gunn and Williams, 2007).

Costing is also one of the basic challenges involved in the employment of strategic tools in the organizations. The overall costs of application of strategic tools can be significantly high hence the small and medium scale organizations may found these tools to be beyond their financial capacity. Even the larger organizations may not be very willing to employ these tools due to

the hefty costs involved. These costs are also in the form of time involved in updating these tools from time-to-time (Stenfors and Tanner, 2007).

In some cases, managers blindly believe these tools for everything in the organization. While these tools are meant for assisting the managers, these should not be relied upon for everything. This not only hampers managerial creativity but may also lead to wrong decisions (Jack, 2016); (Stenfors and Tanner, 2007). It has also been noted in the literature that managers often do not apply the chosen strategic tools fully which later leads to disappointment as the purpose of strategy tool adoption is never served. Also, it is quite difficult to quantify the output served by strategic tools application in an organization or to evaluate the value added to the organization by tool use which further discourages the adoption of these tools (Wright et. al, 2013).

## **1.2 Problem Statement**

According to Stenfors and Tanner (2007), the available literature focuses upon the notion and variety of strategic tools available to organizations today, but it rarely sheds light upon their application in real-time scenario and their assessment as potential value-adding organizational tools. Moreover, there have rarely been any detailed studies in the context of Indian service industry as far as the employment of strategic tools is concerned. Service industry is economically crucial for India for its substantial contributions to the gross domestic product (GDP) and employment generation (IBEF, 2019). Taking this as the basis of current study, an attempt has been made to analyse the application process of strategy tools in specific context of Indian service industry firms.

### **1.3 Aims & Objectives**

The study aspires to analyse organisational performance upon application of strategic tools in the service organizations in India. The objectives underlying this is listed as follows:

1. To analyse and understand the contexts where strategy tools are employed by service firms.
2. To recognize the most popular strategy tools employed by service firms and examine the factors behind selecting particular tools.
3. To evaluate the benefits and challenges involved in the strategic tools application in service firms.

### **1.4 Research Questions**

The aim of the study is to answer the following questions upon its completion:

1. What are the various contexts where service industry firms employ strategy tools?  
What are the factors that led to the selection of particular tools?
2. What are the popular tools employed in the service industry?
3. What are the associated benefits and challenges of applying strategy tools in service sector?

### **1.5 Study Significance**

Strategy tools are increasingly being adopted by every kind of organizations today, whether manufacturing or service industry firms. However, as the literature suggests, the organizations still need to learn the correct application of the strategy tools to reap its advantages. The literature also revealed that numerous challenges like change resistance, overreliance, skill

deficit to apply the tools etc. are constraining the organizations to employ strategy tools. Additionally, the awareness about the evaluation of these tools in specific organizational context is very low. The current study delves into such issues and offers recommendations about the various factors to be considered for strategy application in business firms. The study also offers insight on the evaluation mechanism for strategy tools hence contributes not only to the academic literature but to the industrial sphere as well.

## **1.6 Scope of the study**

The research is conducted in a specific context of Indian service industry so the findings are particular to the firms involved in the study as participants. This can also be stated as one of the major constraints of the study. The study explores the application process of strategy tools in the case companies and delves into the various advantages and challenges involved in the process. This way the findings of the study can be found to be of help to almost every organization in current times as it would enable them to choose appropriate tools to meet their organizational needs.



## **2. LITERATURE REVIEW**

### **2.1 Strategic tools**

#### **2.1.1 Meaning and definition of ‘strategic tool’**

The study aims at analyzing strategic tools application in the service firms. This section therefore examines the perspectives of various articles that have defined the term in the past.

According to Knott (2006), strategy tools are an escort to planning and the beginning point of organizing strategic management activity in the organization. Stenfors and Tanner (2007) define strategy tools as those diverse range of products that have been developed to assist organizations to deal with complicated competitive markets and achieve sustainable advantage. The basic notion of ‘strategy tool’ is to transform theory or the best practices into a practical form that can help the organizations in developing effective strategies in real-time.

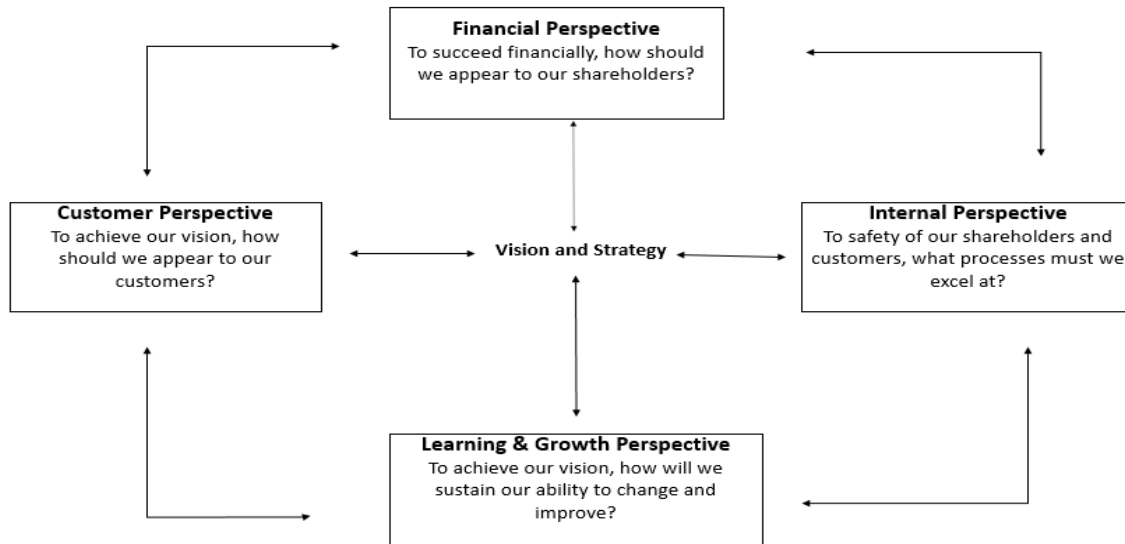
According to Stenfors & Tanner (2007), the strategy tools are the tools for identifying the best practices; however, according Gunn and Williams (2007), these are the concepts that aid managers in making decisions. Afonina & Chalupský, (2012) states that strategy tools assist managers in all the steps of strategy, such as selection or development of the strategy and implementation of strategy. Their study also underlines the relevance of such tools indicating that they improve the shortcomings of the organization to help achieve enhanced performance. Qehaja, Kutllovci and Pula (2017) conceptualize strategy tools as the generic name given to any process, framework, tool, know-how, tactic, or method that are employed to facilitate strategy related work. It is further proclaimed that strategy tools can be employed in various stages of strategy management: to analyze the situation, strategic analysis of the available alternatives, and also at the strategy implementation stage. The study also provides that these

tools have the utility or scope in varied disciplines like operations management, accounting and finance, logistics, knowledge management, systems thinking, artificial intelligence, marketing, systems science etc.

The work of all these authors on strategic tools indicate that more or less the same. The only difference has been in the ways they have explicated the term. The upcoming section reviews the prominent strategic tools the modern organizations are adopting.

### **2.1.2 A review of major strategic tools in application today**

According to Stenfors and Tanner (2007), the progress in information technology (IT) has escalated the variety and popularity of strategy tools in business contexts. As introduced earlier in the previous chapter, there are several strategy tools that contemporary organizations are relying upon. One of the most common tools adopted by organizations in current times is the balanced scorecard or BSC. This integral tool of strategic management was proposed by Kaplan & Norton in 1992. According to Kádárová and Durkáčová (2012) BSC is the most popular, sophisticated, and successful performance management system. It is one tool that converts organizational mission and vision into specific objectives and measures of performance so as to allow quantification and appraisal of the strategy adopted in the organization. The BSC contains particular performance indicators to assess the strategy implementation at different levels of the organization. (Mišanková and Kočíšová, 2014) propose BSC on account of its relative advantages including the transparency of assessment and reporting, and ability to simplify the strategy development process. The balanced scorecard gauges the performance on the basis of four indicators (as shown in the diagram below):



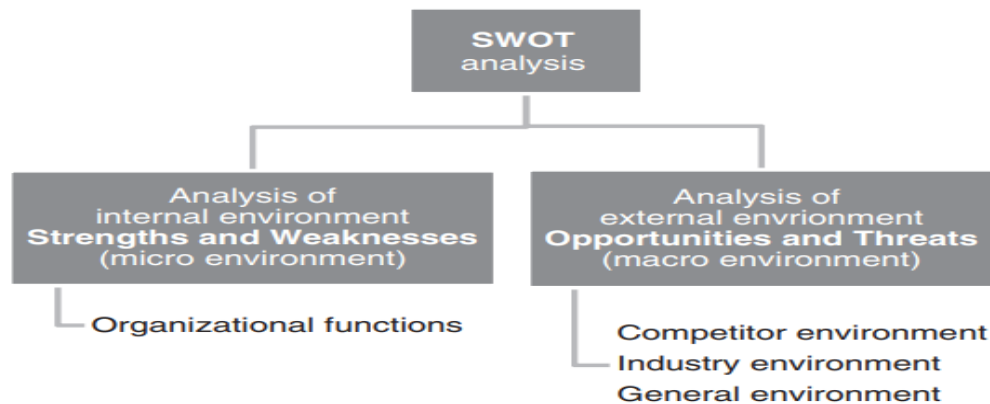
**Figure 2:** The Balanced Scorecard (Mišanková and Kočíšová, 2014).

Deng (2012) highlights the positives and negatives of BSC. While it is a comprehensive tool allowing not only the measurement of financial performance like the conventional tools did but also including the non-financial ones. However, the tool has significant shortcomings as well like it does not take into consideration the time delay factor. Deng (2012) also claim that BSC is a static tool of performance measurement as it cannot measure time-based dynamic performance.

According to Jurevicius (2014) another common strategy tool, benchmarking. This is a strategy tool used to make comparisons of the organization's products/services and processes with that of the best performances recorded within and outside the industry. The objective of benchmarking is to aid the firms in adopting the best business practices to improvise performances. Jurevicius (2014) encapsulates that one of the best things about benchmarking is that it facilitates knowledge sharing across organizations. It also helps the organizations in achieving sustainable competitive advantage. Bartels, Apeau and Alexander (2014); however,

bring into focus the darker side of benchmarking stating that the strategic information of other firms is hard to obtain which forms the basis of this tool.

Another popular strategic tool is SWOT analysis. According to Shakya, (2019) SWOT is an environmental analysis tool that helps the organizations to assess the environmental factors systematically. This is a systematic tool of understanding those factors that can influence the organization's performance. This tool offers immense opportunity to the organizations to work upon their weaknesses, capitalize on strengths, tap the opportunities, and deal with the threats.



**Figure 3:** SWOT Analysis Components (Sammut-Bonnici and Galea, 2015b).

This section could review only a couple of strategic tools due to the research constraints but it is evident from the discussion that every strategic tool has advantages and shortcomings. Hence caution should be taken while adopting them. The upcoming section reviews the significance of strategy tools in an organizational context.

### **2.1.3 Importance of strategic tools for organizations**

Citing the importance of strategic tools for improving the financial performance of contemporary manufacturing organizations, Al-Khadash and Feridun, (2006) assert that

conventional accounting based organizational performance measures are no more sufficient as there has rarely been technical development in the traditional financial and management accounting techniques. These techniques are constrained in scope and do not offer a holistic picture. The modern strategic tools like JIT, TQM, and ABC provide the organizational status from varied contexts and enable sound decision-making leading to improved financial outcomes. However, the study also points out that despite being aware of the various benefits associated with employing strategic tools, the financial managers are still averse to implementing these in real-time business practices. The study claims that if appropriately implemented, these strategic tools can enhance financial performance of the firms. Strategic tools assist in analyzing and understanding the firm and its environment. The study also contemplates that strategic tools are an effective means to enhance communication, control and coordination in the organization.

According to Stenfors and Tanner, (2007) firms will gain multiple benefits by using strategy tools. The study puts forward that these tools bring in systematic ways of action in the organization which minimizes friction and promotes teamwork. Additionally, it also leads to enhanced learning and innovation in the organization. It was also stated that strategic tools aid in the monitoring and evaluation of organizational performance by establishing standardized procedures. Contrary to what is usually believed that strategic tools are meant solely for strategy development, this study encapsulates that strategy tools simplify the execution of routine organizational tasks.

Similarly, Abdulhussein (2012), too highlighted several advantages that organizations can reap by employing strategic tools. The study elaborated upon the advantages of strategic

management accounting tools like value chain analysis, BSC, activity-based costing etc. that these tools help to minimize the operational costs, enhances the product quality, and enables performance evaluation in the organization.

The significance of strategic tools for contemporary business organizations has also been validated by Anna (2015) through a study wherein the strategic tools impact on the organizational performance was assessed. The study underlines the essence of precisely understanding the consumers' needs in current times and asserts that strategic tools aid in doing that. There are tools like customers' complaints analysis, customer satisfaction analysis, market segmentation etc. which enable the firms to better understand the needs of modern consumers and satiate them. The study confirms about the positive outcomes of strategic tools for an organization including a growth in the market share and revenues. The study implies the positive relationship between the application of strategic tools and organizational performance both financially and non-financially.

The discussion revealed that strategy tools render benefits to the organizations. However, studies have mostly reviewed these benefits in brief while the need for detailed critical analysis in this regard is recommended.

#### **2.1.4 Strategic tools application as per nature of the business**

Knott, (2006) identified the significance of strategic tools application in an organization and put forward that the success of the usage of the tool lies in the ability of the firm to develop sync between the tool and the firm. The study also postulated that the strategy tools can be used across multiple organizations irrespective of their nature of the business. This was highlighted by putting the balanced scorecard which was identified as a significant strategy

tool for organizations across multiple organizational types. The three types of organizations in which balanced scorecard were being used included: first, the large scale organization in which decentralized decision-making practices were prevalent; the second type of organization was a company operating at a smaller scale but within an industry that was supported by high technological growth; the third type of business was a government organization which indulged in the provision of healthcare services to its people. In all the three cases, the study found the strategy tool to be effective and efficient in assisting the organizations in taking strategic decisions when implemented judiciously. The process adopted in all three cases was similar. However, the study also affirmed that these strategy tools like the balanced scorecard are not a ready-made answer for the creation of all the applications. The study further recommended that prior to usage of strategy tools a detailed understanding of the topology in which it is to be used is important to be analyzed by the companies.

Jarzabkowski and Kaplan, (2015) threw light on the process adopted by organisations while adopting strategy tools and notified that the managers of different organisations deploy these tools during the process of decision-making. Similar findings were also put forward by Cabantous and Gond (2011) who also stated that decision making in organisations was a rational approach irrespective of the type of business and the strategy tools were used during these decision-making processes thereby ensuring that effective decisions are taken. According to Jarzabkowski and Kaplan, (2015) the choice of strategy tool and the process of its implementation is quite rational and tools are chosen in order to meet the specific issues faced by the organisations. The process as denoted by Jarzabkowski and Kaplan (2015) is simple and begins with the determination of organisational problems, followed by identification of tools that would rationally assist in overcoming these problems. Once the match is being created,

then the strategy tools are established within the organisation and its planning process. Hence, the strategy tools emerge as an integral aspect of the organisation irrespective of the kind of business it is into. The study further avowed that the strategy tools along with being operational should be simple to use. This would ensure that they are easily absorbed within the organisational process and support its use in practical scenario.

The section reveals that one-size-fits-all approach should be avoided. The selection of strategy tools must be in alignment with the nature of the business. The upcoming section throws light upon whether the nature of problem in hand for which strategy tool has to be adopted makes any difference or not.

#### **2.1.5 Strategic tools application as per the nature of the problem**

Knott, (2008) determined that for the adoption of the right tools to meet the nature of the problem. It is important to have managers who are knowledgeable so that the right fit between the problems and strategy tool can be developed. It has been further denoted that the success of the tool in solving the problem is to a larger extent dependent on the expertise of leaders and effective execution of the tools in required situations. The study clearly highlighted that the process of application of tools for differing problems is completely different. These differences as per Knott (2008) was prevalent owing to differences in the characteristics of each problem. The process for implementation of the strategy tool is different for new idea generation from the user in the analysis. For example, the study stated that in the case of change management within an organization, the choice of the tool by one company and the process resorted to for adopting the same might not be applicable for another company from within the same industry. The most important elements to make the strategy tool successful with regards



to the nature of the problem was to ensure effective communication across members associated with change management and those involved in tool adoption. During this entire process, it was important to ensure that the tool is adaptable so that changes can be accommodated without any disruption.

According to Jarzabkowski and Kaplan, (2015) to select a tool for solving the problem of the organization the most significant aspect to be taken care of is the reasonability of the strategy tool as well as the various factors by which the tool will be used. The tool once chosen to solve the problem is rooted within the organisational culture especially within its process of making strategies. The study further notified that the process of application of strategic tools essentially needs to consider the time that is required to learn to use and apply the same in the real world. To ensure effective learning takes place, appropriate training programs are conducted across the organisation which needs time.

#### **2.1.6 Challenges in the strategic tools applications**

As introduced in the previous chapter, the literature cites that there are several challenges in the application of strategy tools. Niven, (2006) categorized various challenges of strategy tools application as vision barrier implying that very few in the organization actually understand the vision behind strategy adoption, people barrier entailing the resistance from the managers because they are rarely given incentives for strategy adoption, management barrier which is related to not spending enough time in discussing and managing the strategy, and resource barrier which occurs because organizations usually do not assign budgets for strategy application.

Stenfors and Tanner (2007) put forward the opinions of strategy director of a prominent Finnish firm who state that one of the biggest challenges associated with the application of strategic tools is identifying the situations where these tools would be of help and where not. Stenfors and Tanner, (2007) also indicated that some of the strategy tools are short-lived hence proper caution should be taken while selection of the tools. Further, it is also argued that organizational managers and employees usually dislike strategic tools implementation due to changes. As these tools institute controlled behaviors, approved procedures and a culture of discipline in the organization, such change is not generally welcomed by organizational members.

Gunn and Williams, (2007) expressed disappointment over the fact that the tools are developed as generic tools and distributed with one size fits all approach. The study recommends use of strategic tools for wide purposes. The adoption and application of strategic tools should be tailor-fit the needs of specific industry and firm. The concern has been validated by Anna (2015) in their empirical study in context of firms in Czech Republic. They found in their study that there is only slight variation in the usage of strategy tools across industries. In most cases, these tools are used similarly. In fact, the study deduced that there is hardly any variation in the way strategic tools are used in manufacturing and service firms.

According to Mišanková and Kočíšová, (2014) the incompatible organizational structure for strategy tools adoption can also pose major challenge. The study also mentioned several other challenges like lack of resources needed for strategy adoption and implementation, inadequate monitoring of the strategy tool implementation process, poor communication flow in the organization, and the employees' resistance to change. Besides, it has also been highlighted

that sometimes the top management is not that determined to face the resistance and implement the strategy leading to the failure in strategy tool implementation.

Jack, (2016) cautioned that strategic tools should only be applied to complement the endeavors of business managers and not as a means to substitute them. Clarifying it further (Jack, 2016) noted that strategic tools act as a guide to developing such a strategy that can lead the firm to novel heights of success but it should also be considered that it can, at times, constrain managerial thinking which can prove to be detrimental for organizational well-being. The strategic tools should not be deemed to be a recipe for success rather a means to gauge the activities of business, craft strategy, and achieve success. The application of such tools may differ across firms.

Qehaja, (2017) acknowledge the several benefits of strategic tools usage to the organization but, at the same time, warn that these benefits can be reaped only when the managers have sound knowledge of various strategic tools that are available and that can be used in particular organization's context.

While this section highlighted the various challenges of strategy tool implementation, the upcoming section throws light upon the strategies to overcome such challenges.

### **2.1.7 Strategies to address the challenges**

From the discussion in above section, it is evident that strategic tools should not be blindly adopted. There is no one size fits all approach in case of adoption of the strategy tools. The managers should analyse the organizational requirements and the available tools in great detail before deciding to employ any particular tools. Stenfors and Tanner, (2007) lay stress on the

need to evaluate the strategic tools to ensure they are useful for the organization. In their study, it is suggested that the usefulness of strategy tools involves three fundamental components: strategizing tasks, the strategy tools use, and the varied levels of social circumstances. These components can be transformed into three criteria to evaluate the benefits of tools: usability of the strategy tool, importance of the strategizing activities, and connections in the social context.

Ugboro, Obeng and Spann, (2011) recommend about creating an overall conducive organizational environment that supports strategy tool implementation. The study converses about the need to develop amicable relationships among people from different departments in the organization so that people welcome this change positively. The study also lays stress on keeping the entire process of strategy development and application to be flexible enough to accommodate any changes.

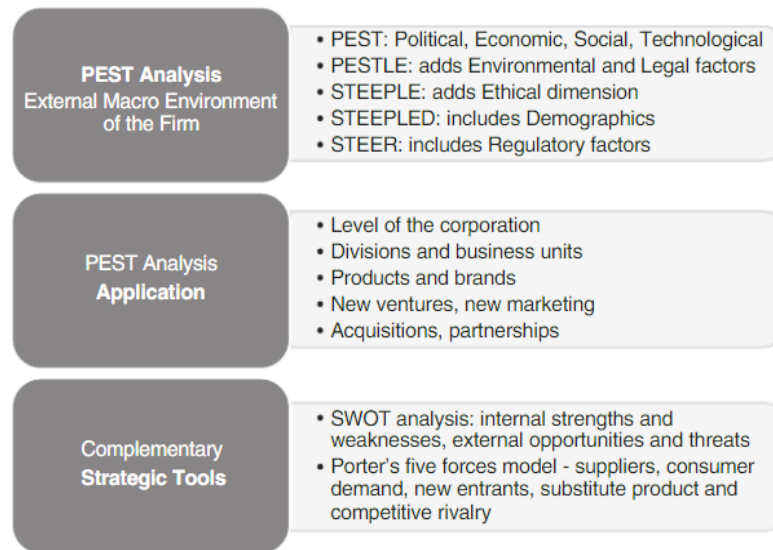
Somewhat similar suggestions have been made by Mišanková and Kočišová, (2014) about effective strategy tools implementation. The study suggests that the objectives behind strategy implementation should be communicated throughout the organization. This would help the organization to seek cooperation from the managers and employees towards strategy implementation. The employees should be actively involved in the process of strategy tool implementation. They should be given responsibilities at various stages of the process to make them feel valued and involved. The study also recommended moulding the organizational culture to accommodate the strategy implementation process.

## **2.2 Empirical Review**

### **2.2.1 Strategic tools application as per nature of business**

The contemporary business landscape is highly volatile, impulsive and rapidly evolving. With globalization and liberalization stimulated competition on a rise and markets nearing saturation, the importance, and adoption of strategic planning is intensifying (Barnett and Sammut-Bonnici, 2014). Since each industry has some peculiar characteristics, the adoption of strategic tools tends to vary. This chapter highlights the choice and strategic tools applications based on the nature of business or industry.

Exploring the public sector organizations functional in the financial, service and industrial sectors of Jordan, Aldehayyat and Anchor (2008) conducted an empirical study with the intention to gauge the familiarity and strategic tools and techniques applications. It was found that most companies adopted financial analysis, PEST and Five Forces analysis for developing their strategic moves. Based on the survey of the managers, it was found that most managers had considerable knowledge about the techniques and techniques adopted were subjected to the scale of operations, phase, and kind of industry the firm is operating.



**Figure 4:** Summary of PEST Analysis components, application and complementary strategic tools. (Sammur-Bonnici and Galea, 2015a).

Shadbolt (2008) explored a more bucolic industry, farming in the purview of assessing how they strategically manage their businesses and tools that they adopt for the same. It was found that although farm businesses tend to adopt strategies to combat the competition and sustain their market positioning, the variety of tools adopted are restricted. Moreover, tools like SWOT are not appropriately put to use due to the lack of insight on the elements and thus, factors are wrongly identified. Further, in the study, the scholar emphasized on the balanced scorecard (BSC) and proposed that the responsiveness of the tool makes it more suitable for such rustic businesses.

Cebeci (2009) explored the textile and clothing industry of Turkey and attempted the selection of enterprise resource planning ERP systems based on BSC. The scholar posits that ERP is the mainstay of contemporary information driven entities and also allows automated assimilation of all the business processes. However, to choose the appropriate ERP system is a task for

textile companies as they have highly diverse product range, variety and a significant number of blue collared workers. For this, the scholar suggests using the balanced score card and the vision, core competencies and key performance indicators, the most suitable ERP system can be squared down upon. Thus, the nature of work definitely impacts the choice of strategic tools and techniques.

Likewise, Şentürk (2012) carried out an empirical study to comprehend the strategic tools usage in the hotel industry of Turkey. For this, a mix of three, four and five star hotels were considered. It was found that the strategic tools choice of usage was priority based. The hospitality firms that were keen on increasing their income and customer base, often use tools like CRM, quality management, etc. With the rise in competition in the hotel industry, emphasizing on customer expectancies became paramount. The other factors that influenced the choice of tools were innovation in services, organizational culture, and future agendas.

While the above studies stated above contrast on the basis of diversity of businesses, the study by Kalkan (2013) explored strategic planning tools use in Turkish SMEs. Based on the empirical study of a random sample of 192 SMEs functional in the Antalya OIZ of Turkey, the scholars found that the SMEs were not very keen on using strategic tools. The reasons for this have been identified as lack of financial and human competencies.

Adding conformity to the study's findings studies, there were the deductions made by Nouri (2017) on the basis of primary study amongst Iranian managers. While the most commonly used tools were the same as found in other studies, it was found that the choice of the tools and application of the techniques varied based on industries, scale of operations and ownership.

Advancing further, in the next section, strategic tools application in line with the problem at hand is discussed.

### **2.2.2 Strategic tools application as per definition of the problem**

Every business faces some unique problems for which exclusive strategic solutions are to be formulated. There is no one universal solution for even a common problem that confronts most organisations across the globe. Thus, managers need to delve deeper into the core problem and develop a suitable action plan to find a strategic resolution with the available resources and expertise (Hitt, Ireland and Hoskisson, 2012; Kesho, 2015). This section highlights a few empirical studies that have explored some of the problems faced by service firms and how they derive to the best alternative by using the most suitable strategic tool.

According to McColl-Kennedy (2008), the modern marketing tactics are used by professional services in four primary industries, law, financial consulting, management consulting and engineering consulting of Australia. Through a primary study that involving interviews of 37 top-level managers, the scholars attempted to comprehend how these professional individuals or firms market their services based on their exclusivity of service quality and operations. In the context of relationship marketing and its key subsets, interaction, database, network and transaction marketing, it was concluded that professional used more of relationship management and interaction marketing as it is an inevitable aspect of the services rendered. Interestingly, while interaction marketing is used by all firms regardless of the scale of operation, while database and network marketing were minimally used. Big firms have the resources to optimally strategize database and relationship marketing while contrariwise small firms rely on network marketing to sustain.



Another atypical research was carried by Chowdhury, Chowdhury and Imran (2012) who explored how service firms can promote a brand favourable behaviour from their employees or workout an effective internal marketing strategy through focused internal communication. Through a case study of internet service providing company in the developing country of Bangladesh, the study attempted to explore the viewpoint of both back-end and front-end employees on the effectiveness of internal communication. The data was gathered through interviews of both employees and managers and realised that there is no specific internal branding strategy in place due to the limitation of resources. But with little proactive approach, integration between departments, senior management, HRM and Marketing functions, internal communication can be used as a driver for internal branding. Once the employees start believing in the brand, they will have better brand identity and thus, serve customers better.

Another interesting service industry is education, which is regarded as a noble business. There is a significant rise in the competition amongst higher education institutes, thereby, compelling education institutes to develop robust marketing practices. In this pursuit, Khan (2013) conducted a primary study on a sample of 349 institutions like universities and polytechnics to understand how higher education institutes of New Zealand are using social media for promoting their institutes. With a parallel virtual world coming into existence, marketing dynamics have been radically redefined. Social media has emerged as a crucial and indispensable aspect of marketing strategies of contemporary organisations. Through the usage of a customised tool, Social Media Marketing Attributes, the marketing tactics of the institutes were standardized. However, unlike other commercial endeavours, education institutes have exhibited insignificant activity on social media as a medium to communicate with the target audience. Ironically, there is a great demand from the students to use social media as a

marketing platform as most youngsters spend a considerable time on various social media platforms. However, due to lack of expertise, institutes are hesitant to adopt SMM tools.

A key aspect of service is capacity management. Every organisation attempts to serve the maximum customers through optimal uses of resources including manpower. The quality of the service is directly related to the quality and commitment of the work force of the service providing firm and its ability to map the demand with the operating system. Wairimu (2014) studied the firms operating in the petroleum retailing sector in Kenya. With a sample of sixteen operation managers and sixty-four customers, the scholar attempted to analyse the capacity management strategies adopted by the company and service perception of the customers. It was found that chase capacity management is a dominant strategic tool adopted by most firms. Moreover, it was found that when capacity management and service quality are inter-twined, the holistic results are much better.

In contemporary globalized business scenario, internationalization is not only an aspiration but after a point becomes a necessity for a firm to survive. Thus, a lot of research has been done in regards to the methods, strategic assessments of viability of the methods and markets and product range. A study of this context has been carried by Azuayi (2016) wherein a content analysis has been carried out to gauge the best suitable mode of entry for Arla Food, Denmark into the Dairy market of Nepal. A SWOT analysis was done to assess how lucrative is the Nepalese market against the internal strengths and weaknesses of the firm. Thus, it was deduced that export is the best suitable entry mode for Arla Food.

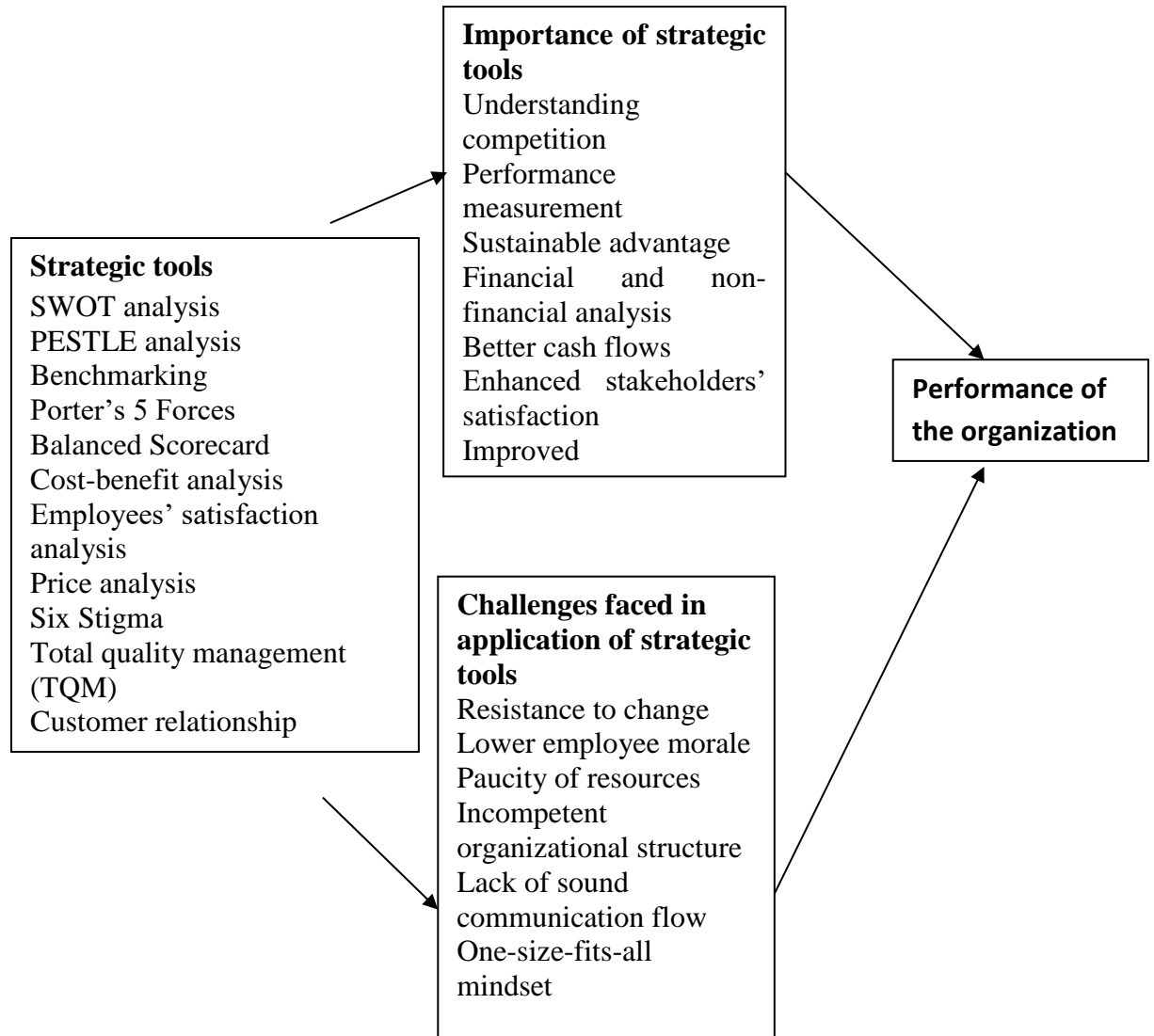
Another study that explicates the importance of strategic tools in marketing is a thesis by Lehtinen (2017) wherein the case of Finnish telecom giant, DNA Plc is considered. Amidst the

rapid technological advancement, companies involved in sectors that heavily rely on technology centric products, need to constantly assess their marketing strategies for effectiveness. Moreover, a proactive approach needs to be adopted to combat any upcoming challenge or competition. Through a mixed primary study involving a survey amongst the customers and interview with the managers of the company, SWOT analysis was done to investigate the prevalent marketing strategy and also determine the future course of action through a proper plan. The effectiveness of the business and industry were gauged through application of strategic tools like PESTLE, SWOT, Porter's Generic Strategies, Five Force Model, strategic groups, and pricing strategies to understand the brand image, customer perception of the company and what are the unique selling propositions of the company. Through primary data analysis, it was found that DNA's marketing strategy was appropriate as it was delivering the desired results. DNA emphasized extensively on customer satisfaction and thus marketing strategies need to build on tactics that can foster brand loyalty and customer delight.

### **2.3 Conceptual Framework**

Generally, the terms theoretical framework and conceptual framework are interchangeably used because both serve the purpose of guiding the research path and making the research more significant and grounding in the theoretical constructs. The conceptual framework is a system of associated notions that collectively offer a holistic interpretation of a phenomenon or phenomena. The conceptual framework in a study presents its main aspects, paradigms, variables, and assumes association among them (Jabareen, 2009).

Based on the literature, the following conceptual framework can be suggested:



### **3. METHODOLOGY**

#### **3.1 Research philosophy**

This illustrates the beliefs of researcher with relation to the collection of data methods of the research study. Normally, research philosophy focuses on sources of information and nature of knowledge gathered (Clarke, et al., 2013). Research philosophy emphasises the different facets of research along with enhancement of the study. Upon the concepts of research onion, the study is segmented into four types, which are interpretivism, pragmatism, positivism and realism (Saunders, 2011). Positivism focuses on the factual information and natural phenomena which are derived on the basis of sensory experience and evaluated on the basis of reasoning and logic. Positivism was chosen for this research as this directs towards factual information which is collected on the basis of sensory observation. It also explains the researcher needs to be concrete on facts. This study also helped the researcher to conduct an independent research in order to get a grip over strategic tools applications in the service sectors of India. With the application of positivism philosophy, the researcher focuses on quantifiable observations which directs to statistical analyses. It helped the researcher to contemplate the world to be objective and external. In order to understand the service sectors of India, facts related to the application of different strategic tools had been explored. No interference of human interests with the application of positivism philosophy had helped to carry out the research more efficiently.

### **3.2 Research paradigm**

This paradigm explains the assumptions how things normally function. It is basically defined as research approach that is adopted for the research. It facilitates to formulate and examine the courses of the research (Mackey & Gass, 2015). The research study is evaluated on the basis of research paradigm which helps in study completion more efficiently. Upon the concepts of research onion, the study can be divided into two types, i.e., inductive and deductive approach. Deductive approach aims at the hypothesis development with relation to existing theory and focuses on developing of research strategy to examine the hypothesis (Flick, 2015). As part of this research deductive approach was chosen. With top-down approach, information was gathered with relation to application of strategic tools in service sector of India. With the application of deductive approach, null and absolute hypothesis related to the application of strategic tools in service sector of India was developed. With deductive research approach, the subject of discussion can be generalized from broader perspective to specific perspective, thus the broader perspective of application of strategic tools in service sectors was generalized to specific perspective of use of different strategic tools.

### **3.3 Research design**

The research design is considered as the plan that is adopted by researchers to explain the steps that would considered providing solutions to the research questions (Flick, 2015). This helps researcher in opting for appropriate research strategy and research problems are addressed in a seamless manner. It is often elaborated as the integration of different methods to address the questions of the study. Mixed, qualitative and quantitative are the different research designs

that the researcher can use in their research. In this case, mixed research design was selected. Qualitative method had been used while extracting information from the managers during the open end questionnaire survey and also in framing the literature review of the study. On the other hand, quantitative had been used while gathering information from the managers through the closed end questions. Mixed method reflects the use of primary and secondary data which was obtained for the study. This method assisted researcher to have a sound understanding of the problems of this study by applying qualitative and quantitative methodology.

### **3.4 Data collection**

This study used both the primary and secondary data. Books, journal articles, new articles, peer reviews and magazines were used as a source of secondary data (Maxwell, 2012). The use of unscrupulous peer reviewed, journal articles and books had been circumvented while developing the research. Only authentic and valid secondary sources had been adopted. Secondary sources had been adopted because it offered knowledge regarding similar works that was carried out in the same field of application of strategic tools in service sectors by eminent scholars and writers. The primary data was collected by interviewing managers from different service sectors of India and surveying mid–level employees. The survey was done to get ground reality of strategic tools applications in service sector in India. Surveying helped researcher to understand better of the application of the strategic tools, benefits and challenges it offers to the firm and the most common used strategic tools. Skype and telephonic interviews were also used to gather information from the managers. Interview with the managers had provided information on how strategic tools are influencing the business of the service firms. The data collection procedure took different steps and methods starting from formation of the

data collection instrument to final compilation of the data. However, it is imperative to first state the sampling plan and the questionnaire administration methods.

#### **3.4.1 Target population**

The target population is highly essential for development of the sampling plan (Robinson, 2014). It explains the entire groups of objects or individuals based on which the researchers generalize the conclusions. In case of quantitative data collection, mid-level employees from different service companies were targeted. The mid – level employees were considered for survey because they would provide information related to the strategic tools usage in their service firms. The qualitative data was collected by interviewing the managers of the service companies.

#### **3.4.2 Sampling plan and type**

Sampling size focused on different factors such as population, characteristics of population and the methods to segregate them (Cleary, et al., 2014). A list of total 170 mid-level employees had been drawn up for survey. The final list of survey respondents comes from the total number of completed filled in survey responses and compiled data. The survey respondents were approached with the help of the HR department of the organizations and then personally providing a session on the need for the study which lasted for 30 minutes. Probability sampling was used in this process; whereby stratified sampling was done. The mid-level employees of the chosen companies were formed as strata and then they were chosen randomly. Selection of employees on the basis of random sampling would normally provide equal chances to each employee. With the use of stratified random sampling, population were



being divided into small segments on the basis of their similar characteristics. A non probability sampling method was used for qualitative study. In this case, 10 managers from 10 serviced selected firms of India were targeted for qualitative primary data collection. The selection of 10 different managers from 10 different service sectors would provide a broader spectrum on how these tools are being utilized within these sectors. However, the managers were contacted by prior making appointment with them and taking their permissions for the conduction of the interviews. Prior interview conversations with the managers involved explaining the reason for the study and the role played by the information provided by the managers.

### **3.4.3 Questionnaire design and administration**

Designing of questionnaire is the process of formulating the questions and format that are going to be used as a form of collection of data related to a particular phenomenon (Brace, 2018). While framing questionnaire design, all the different phases of survey design and execution needs to be considered. Questionnaire design process helps the researcher to mitigate the number of measurement error from a sample of questions or questionnaire (Schuldt, et al., 2015). Two types of questionnaire were formed, one was close ended and the other was open ended. Quantitative primary data from survey was collected using close ended questionnaire. This method provides less opportunity to employees to describe their point of views in an effective manner, as the questionnaires framed within close end questionnaires are normally direct and offer less scope for discussion. Qualitative primary data was collected from interviews using open ended questionnaires. This provides an open channel for discussion to

the managers as the questions were framed in such a way. It allows individuals to get involved more as compared to close end questionnaires.

Initially, the HR managers of the chosen organizations were approached with the aim of the study. After approval from the HR, the managers were approached. The HR also sent emails to the employees of the organizations for the conduction of session and the objectives of the survey. Then with the approval of the HR, 13 different sessions were conducted for the targeted participants each session lasting for a minimum of 20 minutes to a maximum of 30 minutes. Survey questionnaires were distributed during the sessions along with confidentiality consent letters. However, it took more than two months to get all the responses and the final tally of compiled data was 170 employees. After this, the managing heads of the organizations were emailed via HR department and were contacted over the telephone. The managers were asked for permissions for the free time to conduct the interviews. Interviews of 10 managers from different service sectors were interviewed and each of the interviews took over one week to collect the complete data. Each of the interview duration took a maximum of 10-20 minutes.

### **3.5 Data analysis procedures**

#### **3.5.1 Tools and methods of analysis**

Analysis of data describes the methods involved in inspecting, reviewing and evaluating the information collected from primary and secondary data to reach to a certain bottom line and thus examining if the research findings are able to meet the objectives of research as laid out at the initial stages or not (Kratochwill, 2013). Majority of the primary data collected from the interview process involves demographic, general background and inferential analysis. The data

gathered from survey were evaluated with the help of SPSS v23 software. Inferential analysis of the responses comprised of reliability, correlation, regression and ANOVA whereas demographic and general background analysis involve mean variance, frequencies test and standard deviation. Based on the results of inferential analysis, hypotheses were tested. A thematic assessment was done and presented for qualitative analysis. The findings were then triangulated on the basis of mixed methodology approach to address the study objectives and it was done to evaluate the validity of the findings.

### **3.5.2 Data validity and reliability**

Cronbach's Alpha reliability test was done to confirm primary quantitative data reliability. Any test is considered to be valid when the achieved outcome is what the researcher is expected to measure (Salkind, 2012). In context to the present research study, literature review underlined the objectives of the research and was able to address the questions of research efficiently. The research questions were framed keeping in view of the objectives of the research and subject of discussion. Questionnaires validity was checked by taking help from the industry experts. Pilot study had been also conducted prior execution of the survey as it ensures feasibility of the trial run performed to prepare for the main research study. As it is a smaller version of the major research study, it normally considers small number of people so that logistical issues in the research survey are addressed. The research study was framed in such a way that it highlights the truth related to content of the study therefore making it reliable and valid.

### **3.6 Ethical considerations**

The objectives of the research were informed to the study participants beforehand. The respondents have been informed earlier that their responses would be recorded for research purpose. Confidentiality agreement needs to be signed by the participants (Wiles, 2012). The respondents were allowed to leave the interview any time as per their wish. Under no circumstances, personal or objectionable questions were asked to the respondents. Their demographic information was not to be shared with anyone under any conditions. The outcome of the research study was to be shared only with the concerned educational institute. Company's details were to be kept under wraps and were not exchanged with any 3<sup>rd</sup> party. The recordings of the primary data of this study were to be demolished after the research has been completed and published.

## **4. FINDINGS**

### **4.1 Introduction**

This section exemplifies the results from quantitative and qualitative research. To understand the results better, different tests such as correlation, regression and ANOVA has been performed from the survey conducted on 170 mid – level employees who are part of the service sector of India. Furthermore, 10 managers from different service firms had been interviewed to get more information about the strategic tools application in the service sector and what benefits and challenges these tools offer to their firms. Based on the quantitative analysis, the results have helped to address the research questions and testing of hypothesis.

### **4.2 Quantitative analyses**

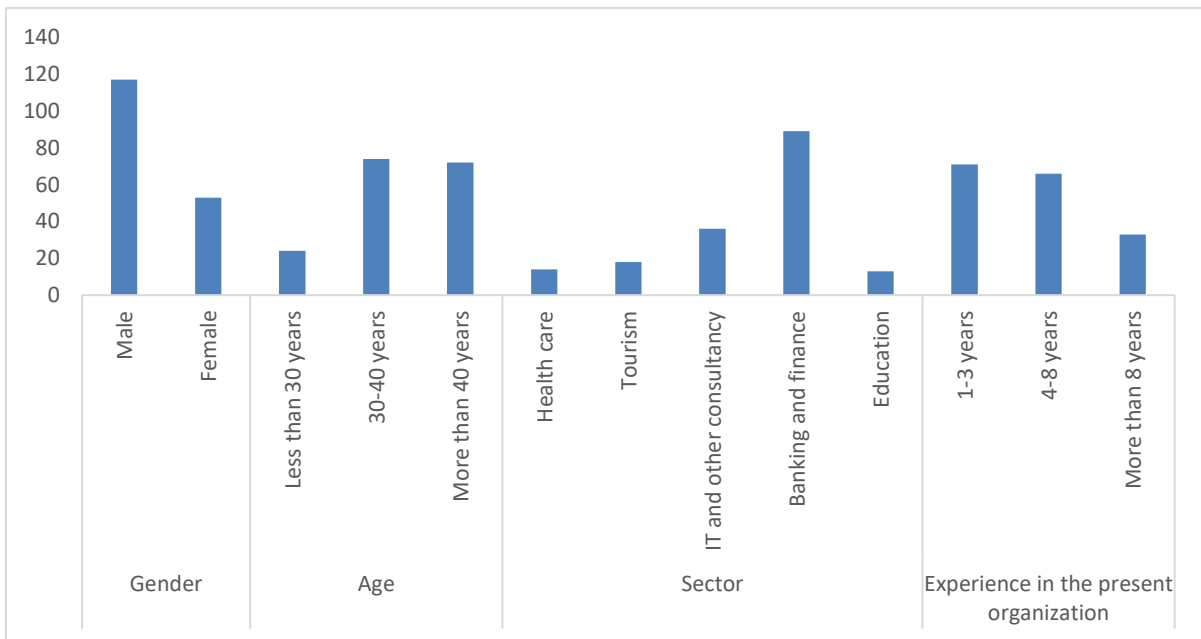
#### **4.2.1 Descriptive analyses**

In this part, demographic aspects of survey population have been explored with the help of frequency analysis and graphical presentations.

##### ***4.2.1.1.1 Demographic profile***

From the below figure, the demographic elements related to the respondents have been elaborated. With the use of demographic analysis, the focus was on to evaluate the socio-economic profile and general background provided by the employees who participated in the survey. Figure 6 also shows that 68.8% of males participated in the survey as compared to the 31.2% of females. On the other hand, the graph also reflects that 43.5% of employees are

within the group of 30-40 years, followed by 42.4% of employees who are within the age group of more than 40 years. The graph also outlines that 52.4% of employees who participated in the survey were from the banking and finance, followed by 21.2% of employees from IT and other consultancy and 10.6% of employees from tourism. The demographic assessment also illustrates the experiences in years that the employees have in service sector and maximum number of employees i.e. 41.8% of employees has 1 - 3 years of experience, this was followed by 38.8% for employees with experience of 4-8 years. Since, maximum number of employees is 30+ years with experience of more than 1 year, there is a very high chance that these employees are operating in either IT and other consultancy or banking and finance sector.



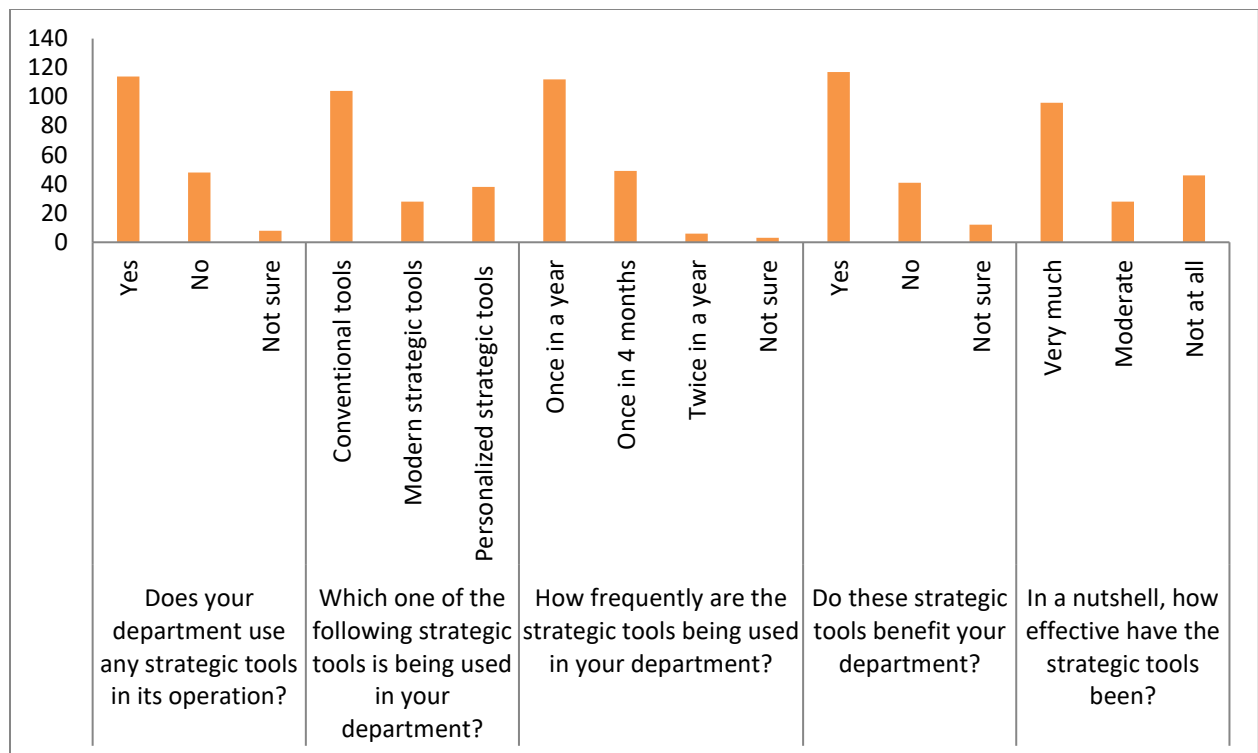
**Figure 5:** Demographic profile of the employees

#### **4.2.1.1.2 General background**

From the figure 7, it is evident that strategic tools use in each of the department the employees worked suggest that 67.1% agreed on the use of strategic tools in its operation, followed by

28.2% of participants opting for not using any strategic tools and 4.7% were not sure of strategic tools usage in their organization. The above statement implicates that most of the employees have knowledge about strategic tools usage in their firm. However, the denial may also come from the fact that at times administrators and managers use these tools and formulate strategies for the employees to follow. Therefore, these employees have hardly any notion regarding the use of tools in their firm.

Again, with respect to the type of strategic tools usage, it was noticed that conventional tools are mostly preferred as 61.2 %of employees working in service sector of India perceived the same. Personalized strategic tool perception was perceived by 22.4% employees and modern strategic tools which have been preferred by 16.5% of employees. The less application of personalized tool highlights the uses of personalized tools are more or less restricted to tourism or healthcare industry. This is from the fact that the operations and function in these two industries is very volatile and needs to have personalized tools for operating and providing services to customers (Chand, 2016).



**Figure 6:** Frequency distribution of general background

The graph also shows the frequency with which these tools are used in the service sector and 65.9% of employees agreed that these strategic tools have been used at least once in a year whereas 28.8 % of employees agreed on using these tools once in a 4 months. This shows that the tools are widely used in Indian service sectors such as banking and finance and IT and other consultancy firms and their uses depend on the requirements of the service companies (Jarzabkowski & Kaplan, 2015). With respect to benefits of the tools in the respondent's departments was seen mostly for 68.8% of employees, followed by 24.1% of employees have suggested that these tools did not offer any benefits to their departments. This explains the service companies in India mainly from banking and finance, IT and other consultancy have hugely benefitted from the use of these tools while others companies from different sectors



seem to have less applications of these tools in their operations or employees might have no idea regarding its use (Yadav, Chauhan, & Pathak, 2015).

Lastly, employees found effectiveness of the strategic tools to be effective (56.5%), whereas 27% of employees did not agree to the effectiveness of these tools whereas 16.5 % employees suggested moderate effectiveness of the tools. The above question also suggests effectiveness of the tools in service sector of India as more than 50 % of the employees interviewed suggested that these tools have been effectively used in their organizations. Thus overall, the graph outlines that majority of the employees have agreed on using these strategic tools in their service sector and majority of these employees have been benefitted from the frequent use of the tools.

#### **4.2.2 Inferential analysis**

The objective of the inferential analyses was to evaluate independent variables' influence on dependent variables. Dependent variable is outlined as the impact of the strategic tools and its application is positive on service industry in their department. In order to evaluate the factors such as selection, benefits of strategic tools use on the service sector of India, the following hypotheses was developed. With the help of inferential analysis, independent and dependent variables relationship was examined. The role of the inferential analysis was to generate conclusions from the sample.

The hypotheses are formed to examine if certain assumption is true or not for the population on the basis of the evaluation of relationship and sample data. Null and alternate hypothesis

are formed to check if the certain assumption is true or not. Two different hypotheses have been formed.

***H<sub>01</sub>: No significant impact of service based Indian organisation on implementation of strategic tools.***

***H<sub>A1</sub>: There is a significant impact of service based Indian organisation on implementation of strategic tools.***

The null hypothesis stated above outlines that the application of strategic tools do not have any significant impact on different sectors of India (Murphy, Myors, & Wolach, 2014). On the other hand, the alternative hypothesis illustrates there is significant impact of the strategic tools on different sectors of India. Different types of strategic tools are used in India such as conventional, modern and personalized strategic tools. With strategic tools, the service or any other sector organisations try to examine the competitive nature of the market, enhance their internal operations, meet the needs of the consumers etc. With the result from the regression analysis, both the hypotheses would be tested. The null hypothesis also focuses on no positive impact of challenges during implementation of strategic tools on the service industry of India whereas the alternative hypothesis exemplifies impact of challenges during implementation of strategic tools on the service industry of India (Javanmard & Montanari, 2014). Both the hypotheses would be tested on the basis of regression analysis. Both these hypotheses would indicate towards either the benefits or effectiveness of the strategic tools or the challenges these tools present to the service sector of India.

#### **4.2.2.1 Reliability testing**

As for the reliability tests to check the reliability of the responses collected from the survey, it was found that for the hypothesis alpha value came out to be 0.812 at 95% CI. This value can be considered to be quite high and hence the responses or data gathered is good fit for the study.

#### **4.2.2.2 Correlation analysis**

Based on the correlation analysis presented in Appendix III, it is observed that the independent variables which have shown high correlation towards application of strategic tools in service sectors of India are promotes teamwork (0.965), better decision making (0.933), minimizes operational cost (0.964) and positive financial outcomes (0.968). Each of the 4 independent variable has a Pearson's correlation value of more than 0.900 and it is significant at 0.05 level. The highest Pearson's correlation is that of positive financial outcomes with 0.968. This also explains application of strategic tools impact on service sector of India and these positive applications such as promotes teamwork, better decision - making, minimizes operational cost and positive financial outcomes are mostly seen. In this regard, (Jarzabkowski & Kaplan, 2015) conducted a similar study and found that strategic tools were the most significant to help the managers in their decision-making tasks and activities. Similarly, (Abdulhussein, 2012) too stated about the applications of strategic tools to mitigate the operational costs of the businesses. According to Stenfors and Tanner (2007), the strategic tools can promote teamwork and mitigates the chance of frictions at the workplace. Al-Khadash and Feridun, (2006) focus on the fact that strategic tools help the managers to take better decision making which accounts for positive financial outcomes.

The implications of the results suggest with the surge in benefits of the strategic tools, the service sector of India is going to use more strategic tools (Yadav, 2014). Furthermore,

ANOVA statistics was done to test the hypothesis. And found that the F-value has a value of 415.812 with a significance value of 0.000. It clearly rejects null hypotheses and accepts alternative hypotheses. The table also implicates that there is a significant impact of strategic tools on the service sector of India and there is positive applications of these tools on the service sectors of India (Mishra, 2010).

#### 4.2.2.3 Coefficient of regression

		Standardized Coefficients	T	Sig.
		Beta		
Independent variables	Minimize friction	.021	.724	.470
	Promotes teamwork	.295	7.536	<b>.000</b>
	Promotes enhanced learning and innovation	.007	.408	.683
	Understanding the firm and its environment	-.006	-.142	.888
	Enhance communication, control and coordination	.006	.174	.862
	Better decision - making	.138	4.275	<b>.000</b>
	Positive financial outcomes	.283	6.766	<b>.000</b>
	Minimize the operational costs	.266	6.619	<b>.000</b>
	Performance evaluation	.017	.741	.460

	Understanding needs of the consumers	.017	.965	.336
	Increase customer satisfaction	.009	.510	.611
	Growth in market share	.001	.112	.911
	Vision barrier	-.013	-.512	.610
	Management barrier	.017	.812	.418
	Resources barrier	-.015	-.728	.467
	Clear understanding of strategic tools	.002	.114	.909
	One-size-fits-all approach	-.009	-.723	.471
	One-size-fits-all approach	-.009	-.723	.471

**Table 1: Regression table**

Coefficient of regression (table 1) illustrates the most significant variables which impact the strategic tools and its application on service industry in India. From the table, it is noticed that four independent variables have significance value less than 0.05 at 95% CI. They are promote teamwork (.000), better decision making (.000), positive financial outcomes (.000) and minimize the operational costs (.000) have significance value at 95% CI. The findings also exemplify that independent variables which are not found to be significant such as understanding of the organisation and its environment, one size fits all approach, vision barrier and resources barrier does not impact strategic tools implementation on the performance of service sector in India.

Higher the standard coefficients value of the variables, it is going to impact more the dependent variable. As seen in the above table, variables such as promotes teamwork, better decision making, positive financial outcomes and minimize the operational costs have the highest the standard coefficients value and thus these values have more impact on the dependent variable. According to Mishra (2010) strategic tools application on organisation has a significant impact on its performance. However, the findings showed maximum output from the employees and these tools ensure that employees are guided efficiently to achieve higher profitability. Thus, the coefficient of regression has explained that the independent variables will influence the strategic tools and its application on service industry in India. In other words, the null hypotheses were rejected. Therefore, the implementation of strategic tools significantly impacts the performance of the service based organizations in India.

### **4.3 Qualitative analysis**

In this study, the focus was to evaluate the data from the interview of 10 managers from different service sectors and then interpret the findings on the basis of thematic analysis. The interviewees were asked questions related to their demographics, general background related to their knowledge of strategic tools and benefits and challenges they have faced while using the strategic tools.

#### 4.3.1 Demographic profile

Serial No.	Gender	Age	Sector	Belief on the application of the strategic tools
1	Male	35	Banking and finance	Yes
2	Female	37	Banking and finance	Yes
3	Male	47	Health care	Yes
4	Male	46	Education	Yes
5	Male	53	Banking and finance	Yes
6	Male	56	IT and other consultancy	Yes
7	Female	33	Banking and finance	Yes
8	Female	37	Banking and finance	No
9	Male	29	IT and other consultancy	Yes
10	Male	29	Tourism	No

**Table 2:Demographic profile of interviewees**

Based on table above, it is observed that 10 managers from different service sectors were being interviewed and out of the 10 managers, 7 were male and 3 were female. Majority of the managers belonged to the 30-40 years' age bracket (n=4) and more than 40 years' bracket (n=4), followed by few who come under less than 30 years' age group (n=2). Again this shows that male managers number is higher than female members even when considered from the unbiased selection method. The number of managers between 30-40 years age group and 40 years or more were higher which is similar to the findings of survey result conducted on the employees (n=8). Another such similarity is observed in the opinion of the managers as 8 managers said that they benefit from the application of the strategic tools.

#### **4.3.2 Theme 1: Awareness of the managers**

Table 3 shows that five managers have knowledge regarding the use of conventional strategic tools either in their organization or being used by their rivals, followed by three managers who shared information regarding the use of modern strategic tools and two managers who used personalized strategic tools in their service firm or had information regarding the use of these tools by their competitors. This shows the wide application of different types of strategic tools vary in different sectors. One of the managers from tourism sector have come forward and stated that they are not using any strategic tools but they have information regarding the use of these tools by their competitors. The study by (Yadav, Chauhan, & Pathak, 2015) too justifies the fact that service sector that use strategic and personalized tools get competitive advantage over rivals and remain financially in advantage.



Interviewee	Statement
1	Strategic tools help generate profitability. SWOT and balanced score cards have been used in my organization.
2	They help to mitigate conflicts within the work culture and enhance work performance. PESTLE analysis and Michael Porter's 5 force analysis have been used in my organization.
3	These are used by both product and service firms to increase their market share. PESTLE analysis and Michael Porter's 5 force analysis have been used in my organization.
4	Employees' satisfaction analysis has been used in my organization.
5	Strategic tools are tools which are applied to implement strategies for the firm. BCG Matrix and financial modelling have been used in my organization.
6	Relationship marketing, market segmentation analysis and market share analysis have been used in my organization.
7	These tools help to mitigate issues. Process mapping, core competence and resource-based approaches have been used in my organization.
8	The impact of these tools can be seen in the performances of the companies. Employees' satisfaction analysis and Delphi technique have been used by the competitors.
9	These help us to outperform rivals and gain a competitive market share. SWOT has been used in my organization.

10	These help us grow. BCG Matrix, Gap analysis and financial modeling have been used by the competitors.
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**Table 3: Understanding of strategic tools from the perspective of the managers**

#### **4.3.3 Theme 2: Why use strategic tools?**

It was observed that 50% of the managers are using conventional strategic tools, followed by 30% using personalized strategic tools and 20% using modern strategic tools. One of the managers from the IT sector indicated that these tools help understand competition in the market and actions taken on the basis of this evaluation would lead to growth of the business. While another manager highlighted that “*Strategic tools offer the necessary perspective regarding what need to be changed in the business by evaluating internal and external factors.*” Thus the increase conventional strategic tools in the service sector are being justified by the fact because these tools help to evaluate internal and external factors impacting the business performance of the firm within the sector (Jain & Natarajan, 2011).

However, personalized strategic tools were being also preferred and used by the managers in the service sector as one of the managers suggested that these tools have assisted in evaluation of the resources of the organisation. While the less preferred strategic tool by the managers in the service sector is modern strategic tools but it has its own applications as suggested by one of the manager lime lighted that these tools help to focus on satisfaction on the needs of the employees and evaluate the opinion of the experts on certain subject of discussion. In a study by (Dubey & Shah, 2010) too found that different strategic tools have different uses and businesses use these kind of tools based on the needs of the firms and its objectives.

Interviewee	Types of strategic tools	Reason for use
1	Conventional tools	These help in evaluating the factors that influence the business.
2	Conventional tools	Strategic tools offer the necessary perspective regarding what need to be changed in the business by evaluating internal and external factors.
3	Conventional tools	These tools help analyse the strengths and weaknesses of the firms and evaluate markets.
4	Modern strategic tools	These tools help to address the quality issue and employee satisfaction.
5	Personalized strategic tools	Strategic tools have helped to explore the gaps and evaluate the financial issues in the firm.
6	Conventional tools	These tools present you the strengths and weaknesses in your business and competition in the market and actions taken on the basis of these evaluation would lead to growth of the business.
7	Personalized strategic tools	These tools assist in evaluating resources and core competencies of the businesses.

8	Modern strategic tools	These tools help to focus employees' needs and evaluate the opinions of the experts on certain subject of discussion.
9	Conventional tools	Strategic tools assist in examining the internal and external factor influencing the performance of organization.
10	Personalized strategic tools	These tools have helped to identify the gaps and services which generate maximum revenues for the company.

**Table 4: Statements for use of strategic tools**

#### **4.3.4 Theme 3: Factors motivating use of strategic tools**

Table 5 has shown the reasons behind the application of strategic tools by these managers. The reasons are mitigating competition, organizational transformations, cultural factors, and change in leadership, slow economic growth, technological advances, increased diversification, and effectiveness, nature of the business, output, strategy and nature of the problems. As seen from the table, mitigating competition is highlighted as the main reason behind the application of strategic tools are three managers (1<sup>st</sup>, 4<sup>th</sup> and 9<sup>th</sup>) suggested that these tools help the firm to examine the current performance with respect to internal and external influencing factors and facilitate in taking serious measures to have competitive edge. The manager (9<sup>th</sup>) who uses conventional strategic tools explained that *“these tools with its applications help the business to enhance its performance and thus leads to offer competitive edge in the market.”* While 8<sup>th</sup> interviewee focused on increased diversification and commented *“satisfaction of the employees is vital for the growth of the company. Diversified*

*workforce is one of the crucial aspects with regard to satisfaction of employees and this is can be achieved with the right applications of the strategic tools.” Thus overall, it can be said that strategic tools are used widely in service industry due to the solutions these tool provide to different problems in the organization (Jain & Natarajan, 2011).*

Factors	Interviewee choice	Statements
Mitigating competition	1,4,9	<p>1<sup>st</sup> participant: <i>“the strategic tools help to mitigate competition.”</i></p> <p>4<sup>th</sup> participant: <i>“it helps to have competitive edge over rivals.”</i></p> <p>9<sup>th</sup> participant: <i>“these tools with its applications help the business to enhance its performance and thus lead to offer competitive edge in the market.”</i></p>
Organizational transformations	7	<p>7<sup>rd</sup> participant: <i>“these tools offer the required evaluation of the resources and core competencies of the firm and thus lead to organizational transformations.”</i></p>
Cultural factors	2	<p>2<sup>nd</sup> participant: <i>“strategic tools offer the insights on cultural factors which is necessary for the required change.”</i></p>

Change in leadership	4	4 <sup>th</sup> participant: <i>“quality issues and satisfaction of the employees can lead to change in leadership thus modern strategic tools are used to mitigate these issues.”</i>
Slow economic growth	6	6 <sup>th</sup> participant: <i>“slowed economic growth is seen as an external factor which required the use of strategic tools so that the impact can considerably decreased”.</i>
Technological advances	3	3 <sup>rd</sup> participant: <i>“external factor such as technological advancement in India also required the use of strategic tools so that it can be integrated within the operations of the firm.”</i>
Increased diversification	8	8 <sup>th</sup> participant: <i>“satisfaction of the employees is vital for the growth of the company. Diversified workforce is one of the crucial aspect with regard to satisfaction of employees and this is can be achieved with the right applications of the strategic tools.”</i>

Effectiveness	5	5 <sup>th</sup> participant: <i>“Effective of the business is increased when the gaps are mitigated with the help of the strategic tools”.</i>
Nature of business	9	9 <sup>th</sup> participant: <i>“Nature of the business is influenced by internal and external factors; thus strategic tools are used to evaluate these factors.”</i>
Output	8	8 <sup>th</sup> participant: <i>“Output of the business is surged when opinion of the experts is considered on certain subject of discussion and strategic tools helps to achieve this.</i>
Strategy	2	2 <sup>nd</sup> participant: <i>“strategies are formulated by examining the internal and external factors laid out by these strategic tools.”</i>
Nature of the problems	10	10 <sup>th</sup> participant: <i>“Nature of the problems are addressed through analysing the gaps within the business on the basis of the strategic tools.”</i>

**Table 5: Factors leading to strategic tools usage by the managers**

#### 4.3.5 Theme 4: Methods of strategic tools implementation in the organization

From table 6, it is observed that organization – wide method (n=5) was broadly adopted by different service firms in India, followed by department - wide method (n=3) and process-wide method (n=2). The managers use these tools based on the firm’s requirements. The application of these tools varies due to the nature of these tools. The nature of the service organization in India, their different departments and their processes also vary which led to the use of different tools. Thus, it can be said that application of the strategic tools is deep rooted in the processes, departments and organization of service industry (Jain & Natarajan, 2011).

Interviewee	Methods used	Statement
1	Organization wide	The strategic tools were being used in the organization throughout the organization.
2	Organization wide	The strategic tools were being used in the organization throughout the organization.
3	Organization wide	The strategic tools were being used in the organization throughout the organization.
4	Process wide	Organizations use these tools in different processes.
5	Process wide	These tools are used in different processes of the firms.
6	Organization wide	The strategic tools were being used in the organization throughout the organization.



7	Department wide	Different department use these tools to strategize their actions.
8	Department wide	Strategic tools have been used in departments.
9	Organization wide	The strategic tools were being used in the organization throughout the organization.
10	Department wide	Departments use strategic tools as per their requirements.

**Table 6: Strategic tools implementation in the organization**

#### **4.3.6 Theme 5: Strategic tools benefits as suggested by the managers**

The table 7 shows that there are many benefits of these tools as suggested by the managers of different service firms such as promotes teamwork, better decision – making, positive financial outcomes, understanding needs of the consumers, increase customer satisfaction, performance evaluation, mitigate friction and minimize the operational costs. But based on the evaluation of these responses, the four main benefits of these tools are Promotes teamwork, better decision – making, positive financial outcomes and minimize the operational costs. These responses from the managers also justify the responses from the employees during the survey as these employees have also suggested these four benefits as their main reasons for using the strategic tools. Thus, it can be said that there are broader and positive application of these tools which help the service firm to achieve its goals and objectives (Chakraborty & Majumdar, 2011).

Interviewee	Statement
1	Promotes teamwork and better decision – making.
2	Positive financial outcomes and minimize the operational costs.
3	Promotes teamwork, better decision – making, positive financial outcomes and Minimize the operational costs.
4	Performance evaluation, understanding needs of the consumers and minimize friction.
5	Positive financial outcomes and minimize the operational costs.
6	Promotes decision making and improves teamwork.
7	Promotes decision making, positive financial outcomes and minimizes the operational costs.
8	Understanding needs of the consumers and increase customer satisfaction.
9	Promotes decision making, teams work, positive financial outcomes and minimize the operational costs.
10	Performance evaluation and minimize friction.

**Table 7: Strategic tools benefits as suggested by the managers**

#### **4.3.7 Theme 6: Challenges of strategic tools as explained by the managers**

Based on the analysis of Table 8, it is seen that the application of strategic tools also offers challenges such as Clear understanding of strategic tools, resources barrier, vision barrier, management barrier and one size fits all approach. The challenges with most number of responses by the managers are resources barrier (n=5), vision barrier (n=5) and one size fits all approach (n=5), followed by clear understanding of strategic tools (n=3) and management barrier (n=1). These responses from the managers are somewhat identical to the responses of

the employees as suggested by the coefficient regression. The three challenges as suggested by coefficient of regression with negative beta coefficient values are resources barrier, vision barrier and one size fits all approach. Thus, it can be said that the application of the strategic tools effect the challenges such as resources barrier, vision barrier and one size fits all approach. Resources barriers come in the form of lack of workforce, financial resources etc. which pose a challenge to the use of the strategic tools. Furthermore, vision barrier highlights the vision of the person in charge of applying these tools and their deficiencies of executing the tools in effective manner. One-size -its -all approach explains the use of one tool for all the problems and this also underlines the lack of knowledge of the managers or person in charge who are using these tools.

Interviewee	Statement
1	Resources and vision barrier.
2	Vision barrier and approach of one size fits all.
3	Clear understanding of strategic tools and approach of one size fits all.
4	Vision barrier and approach of one size fits all.
5	Resources and vision barrier.
6	Resources barrier and clear understanding of strategic tools.
7	Resources barrier and approach of one size fits all.
8	Vision and management barrier.
9	Resources barrier and approach of one size fits all.
10	Vision barrier and clear understanding of strategic tools.

**Table 8: Challenges of strategic tools as explained by the managers**

## 4.4 Discussion

The application of the strategic tools has been observed over different service industries of India. According to Abdulhussein (2012) with the use of these tools; the firm is able to mitigate the operational costs, enables performance evaluation and increases the product quality. It is also evident by the responses gathered from the survey of the employees and interview with the managers. The responses explained that the strategic tools are broadly used in the service industry of India, although some of the employees has no knowledge related to the use of it in their organization. According to Jarzabkowski and Kaplan, (2015) these tools help managers in taking decisions. The strategic tools applications are done to implement the strategy and formulate plans to execute these strategies (Afonina & Chalupský, 2012). This again was proved by the ANOVA as the null hypothesis was rejected, thus justifying implementation of strategic tools for performance of the service based organizations in India. As observed from the coefficient of regression, it is seen that promotes teamwork, better decision making, positive financial outcomes and decreases the operational cost are the independent variable which led to the strategic tools application in the service sector of India. The interview with the managers of the chosen organizations too explained that these factors such as promotes teamwork, better decision making and positive financial outcomes and decreases the operational cost as the benefits of the strategic tools. However, this might be due to the fact that they have discussed in organisations with their employees of their strategies with mid-level employees and have common / shared knowledge of these tools.

## **4.5 Summarization of the findings**

The survey of the employees reveals that independent variables are correlated with dependent variables strategic tools application in the service sector of India. Significance value of 0.000 rejected the null hypotheses and alternative hypothesis and stated that implementation of strategic tools significantly impacts the performance of the service based organizations in India. The regression statistic was conducted between the means of dependent and independent variables to examine the statistical relationship between the two. Coefficient of regression suggested four independent variables such as promotes teamwork, better decision making, positive financial outcomes and decreases the operational cost which has bigger impact on the strategic tools applications in service sector in India. The interview conducted by the managers also highlighted the same reasons behind the strategic tools use within the service industry of India. The four major benefits were outlined as promotes teamwork, better decision making, positive financial outcomes and decreases the operational cost. Although the major challenges faced by the strategic tools was highlighted as resources barrier, vision barriers and one size fits all approach. The challenges were due to lack of knowledge of leaders with relation to strategic tools and financial constraints.

## **5. DISCUSSION**

### **5.1 Introduction**

This section concludes all important facts suggested in this study. The strategic tools applications is broadly seen in the service sector of India due to the widely benefits offered by the strategic tools. There are basically three types of strategic tools such as conventional tools, modern strategic tools and personalized strategic tools. Conventional tools are SWOT, Michael Porter's five force analysis, Customer complaints analysis, balanced score cards, Six Sigma, PESTLE analysis etc. Modern strategic tools involve TQM, ABC, Hyper-competition, JIT, Employees' satisfaction analysis and Delphi technique whereas personalized strategic tools comprise of BCG Matrix, Gap analysis, Lean manufacturing, Process mapping, Business process re-engineering, etc. Each tool has its own benefits in the service sector of India and frequently used in the organizations. A survey was conducted on the 170 employees who are part of the service sector and their responses were evaluated with the help of SPSS software. Upon evaluation, it was found that most employees who participated were male and they agreed on the aid that these strategic tools provide to their firms whereas some of the employees did not agree on the applications of these tools within their firm. This might be due to the fact that these employees have less knowledge regarding the use of these tools by the managers or their leaders. Correlation analysis suggested that independent variables that has major impact on strategic tools use are positive financial outcomes (0.968), promotes teamwork (0.965), and minimizes operational cost (0.964) and better decision – making (0.933). These four benefits of the strategic tools help the managers to achieve their objectives.

Both null hypotheses were rejected which explains the application of strategic tools are broadly scattered in the service sector of India. Furthermore, the cancellation of null hypotheses also explained that there is positive application of these tools ensures better decision making, development of teamwork, reduces operational cost significantly and leads to profitability of the organization. This four factors enable the firm to be have competitive advantage and larger market presence as compared to their rivals. Coefficient of regression outlined same four independent variables and each of the variable had significance value of 0.05. This explains that the managers can use these tools to get optimal output from the employees and generate higher revenue for the service firms. On the other hand, coefficient of regression also showed independent variables which negatively impact the strategic tools and its positive application on the service sector of India and these independent variables understand the firm and its environment, one size fits all approach, vision barrier and resources barrier.

The interview carried out on managers also highlighted the fact which is quite similar to the responses gathered from the survey of the employees. As the managers also illustrated variables such as promotes teamwork, better decision – making, positive financial outcomes and decreases the operational cost were the real applications of the strategic tools. The managers also exemplified challenges in the form of resources barrier, vision barrier highly influence the use of strategic tools. The responses of both managers and employees justified that the strategic tools are broadly used in service sectors due to their different benefits but its performance can also be restricted due to challenges which might be financial constraints or lack of leadership approach.

## 5.2 Key findings

Key findings from the research study are;

- Strategic tools are widely used in Indian service sector, which shows positive application to the service firms and their performance. Variables such as better decision making, promotes teamwork, positive financial outcomes and reduce the operational cost are the major applications of these strategic tools.
- Employees of different service sector such banking and finances and IT and other consultancy use these strategic tools in majority too keep up with high financial performance.
- The responses of the employees are more or less similar to the responses of the managers who took participation in the interview as both managers and employees explained the above stated four variables were crucial for the performance of the strategic tools.
- The performance of the strategic tools also depreciated due to the challenges by resources barrier, vision barrier and one size fits all approach and this depreciation affect the performance of the business and its productivity.
- Variables like teamwork, better decision making, positive financial outcomes and decreases the operational cost were the real applications of the strategic tools were common both in case of interview and survey with respect to impact of usage of strategic tools.



## **5.3 Conclusions**

### **5.3.1 Objective 1: To analyse and understand the contexts where strategy tools are employed by service firms**

The strategic tools are employed on different service sectors of India due to different applications these tools offer. The three types of tools are conventional tools, modern tools and personalized tools. All the three tools are broadly used in Indian service sectors and it depends on the features that the service tools offer but based on the survey conducted on the employees, the convention tools were widely used in the organization. The conventional tools have wider applications and these tools help the firms to evaluate the internal and external environment. These tools also offer competitive analysis, provide information how the quality of the product or service can be enhanced, establish relationship with the consumers; elaborate the market that is required to be targeted and the current market share of the firm. The tools also provide information related to the price of the products or service and how it can help the firms to be competitive in the market, have a larger market share and higher profitability. On the other hand, personalized strategic tools are also used by the service firms. But these tools were less used as compared to the conventional tools as explained by the employees who participated in the survey. Personalized strategic tools help to evaluate the gaps within the operations of the services or in manufacturing of product. These tools are used in the cost effective manufacturing of products or development of services so that it helps to deliver the products or services at minimal prices to the end consumers. These tools also outline the core competences of the operations of the firms. However, modern strategic tools which were less in use by the employees also provide benefits to the service firms. Tools like TQM ensure high quality in the products of the firms and other modern tools like employee's satisfaction analysis

facilitate the firms to observe the satisfaction level of employees. These tools with their applications also ensure that the service firms stay competitive in the market and gain profitability.

### **5.3.2 Objective 2: To recognize the most popular strategy tools employed by service firms and examine the factors behind selecting particular tools**

All the different strategic tools have their own benefits but survey conducted with the 170 employees and interview of 10 service managers suggested that the most popular strategy tools are conventional tools, followed by personalized strategic tools and modern strategic tools. The easy to use and broader application of the conventional tools is the main factors behind the wide use of these tools in the service sectors of India. With the help of the conventional tools such as SWOT and PESTLE, the service providers are able to assess internal as well as external factors that impact their business. Conventional tools like Five forces help the firms to assess the competition and analyse the threats and substitutes in the market. Furthermore, strategic tools like Balanced Scorecard help the service firms to assess their performance and thus enhance their internal functions. On the other hand, Six Sigma as a strategic tool helps to improve the process of the firm. With conventional tools like relationship marketing and customer complaints analysis, the tools focus on developing the relationship of the consumers with the firm. Market segmentation analysis helps the firm to segment and target the market based on the features of the products and services. With cost-benefit analysis and price analysis, the focus of the firms shifts towards the cost of the products or services.

### **5.3.3 Objective 3: To evaluate the benefits and challenges involved in the application of strategy tools in service firms**

Service firms use strategic tools to increase the performance of their operations, stay competitive, surge their market presence, establish relationship with the consumers and increase their profitability. There are many benefits offered by the strategic tools as explained during the interview of the managers and survey of the employees. The benefits of the strategic tools are minimizing friction, promote teamwork, promote enhanced learning and innovation, understanding the firm and its environment enhance communication, control and coordination and growth in market share. The other benefits offered by the strategic tools are better decision making, positive financial outcomes, minimize the operational costs, performance evaluation, understanding the needs of the consumers, increase consumer satisfaction etc. The four benefits which were indicated by the managers and employees as the most helpful for the service firms are promote teamwork, positive financial outcomes, better- decision making and minimize the operational cost. These four benefits help the firms operating in the service sector of India and allow the firms to meet the needs of the consumers. The challenges as explained by the managers and employees during their interview and survey are vision barrier, resources barriers, and management barriers; clear understanding of strategic tools and one size fits all approach. Except management barrier, all the other four barriers have led to the ineffectiveness of the strategic tools. Resources barriers explain the financial, workforce and other resources which result in improper use of the strategic tools or no use at all. Vision barrier outlines the way the strategic tools have been used in the organization and this might lead to depreciation of the strategic tools. One size fits all approach elaborates the firm's solution for all the different issues is the same strategic tools and this decreases the effectiveness of the

performance of these tools. Less understanding related to the strategic tools also throws light on the issues with the leaders as they lack knowledge regarding the implications of these tools.

## **5.4 Recommendations**

The current recommendations are for those organizations and managers that do not feel the need of using strategic tools for organizational performance. Challenges as perceived by the employees and managers should be mitigated by the managers to ensure that the strategic tools help the firms to achieve its goals.

In addition, the organizations and the managers must see that challenges like resources barrier, vision barrier and good understanding of the importance of strategic tools is mitigated. This can be done by taking help from companies that have successfully used strategic tools or take the risk of implementation of strategic tools.

Moreover, leadership programmes need to be established within the firm so that leaders would be able to properly use these strategic tools. Financial conditions of the firm needs to be evaluated prior using the tools as it would provide insight if the firm would be able to cope with financial requirements during its operations.

## **5.5 Study limitations**

The study has certain limitations. The first is that the study only focuses on the service sector of India and that too very few companies. In addition, the data collection took a lot of time for completion and analysis and there may be some variances. The study was focused on the service sector of India, but did not emphasize on the size of the organisation, cities where the

organisations are based, and detailed responses from employees for surveys. Lastly, the study was also limited in finding low response rate from the surveys either due to poor understanding of the study or due to lack of interest.

In order to mitigate the limitations, future research needs to be concentrated on different major cities of India which would provide city based service firm information which are using strategic tools. The applications of strategic tools on the product manufacturing firms can also be checked which would provide insight if the involvement of strategic tools in service sector is more compared with the product manufacturing sector or not. More numbers of survey responses must be gathered, as increased responses would be more useful and reliable to statistically hypothesize and prove the same.

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# Appendix I

## Interview Questionnaire for the managers

### Section A: Demographic Profile

1. Gender
  - Male (7)
  - Female (3)
2. Age
  - Less than 30 years (2)
  - 30-40 years (4)
  - More than 40 years (4)
3. Sector
  - Health care (1)
  - Tourism (1)
  - IT and other consultancy (2)
  - Banking and finance (5)
  - Education (1)
4. Do you believe that service sector of India benefits from strategic tools applications?
  - Yes, How? (7)
  - No, How? (3)

### **Section B: General background**

5. What do you understand by strategic tools? Name some tools used either by your organization or by its competitors.

Interviewee	Statement
1	Strategic tool is the tool which is used by the firm to generate profitability. SWOT and balanced score cards have been used in my organization.
2	Strategic tool is tool which helps to mitigate conflicts within the work culture and enhance employee. Five force analysis was used in my organization.
3	These tools are used by both product and service companies to increase their market share and competitive advantage. PESTLE analysis and Michael Porter's 5 force analysis have been used in my organization.
4	Strategic tools are tools which are used to execute strategies for the firm. Employees'

	satisfaction analysis and TQM have been used by the competitors.
5	Strategic tools are tools which are applied to implement strategies for the firm. BCG Matrix and financial modeling have been used in my organization.
6	These tools help the firm to meet the goals of the company. Relationship marketing, market segmentation analysis and market share analysis have been used in my organization.
7	These tools explain the firm's approach to mitigate issues. Process mapping, core competence and resource-based approaches have been used by the competitors.
8	The impact of these tools can be seen in the performances of the companies. Employees' satisfaction analysis and Delphi technique have been used by the competitors.
9	These tools help the firms to outperform rivals and gain a competitive market share. SWOT and balanced score cards have been used in my organization.
10	Strategic tools help the firms to grow. BCG Matrix, Gap analysis and financial modeling have been used in my organization.

#### 6. Why do you use them?

Interviewee	Types of strategic tools	Reason for use
1	Conventional tools	These tools help to evaluate factors influencing the firm.
2	Conventional tools	Strategic tools offer the necessary perspective regarding what need to be changed in the business by evaluating internal and external factors.
3	Conventional tools	These tools help in evaluating the market.
4	Modern strategic tools	These tools help to address the quality issue and employee satisfaction.
5	Personalized strategic tools	Strategic tools have helped to explore the gaps and evaluate the financial issues in the firm.
6	Conventional tools	These tools present you the strengths and weaknesses in your business and competition in the market and actions taken on the basis of

		these evaluation would lead to growth of the business.
7	Personalized strategic tools	These tools assist in evaluation of resources and core competencies.
8	Modern strategic tools	These tools help to focus on satisfaction on the needs of the employees and evaluate the opinion of the experts on certain subject of discussion.
9	Conventional tools	Strategic tools assist in examining the internal and external factor influencing the performance of organization.
10	Personalized strategic tools	These tools have helped to identify the gaps and services which generate maximum revenues for the company.

7. Which of the following factors led to the choice of the specific tool for the organization? Please elaborate the chosen factors.

Factors	Interviewee choice	Statements
Mitigating competition	1,4	1 <sup>st</sup> participant: <i>“the strategic tools help to mitigate competition.</i> 4 <sup>th</sup> participant: <i>it helps to have competitive edge over rivals.”</i>
Organizational transformations	7	7 <sup>rd</sup> participant: <i>“these tools offer the required evaluation of the resources and core competencies of the firm and thus lead to organizational transformations.”</i>
Cultural factors	2	2 <sup>nd</sup> participant: <i>“strategic tools offer the insights on cultural factors which is necessary for the required change.”</i>
Change in leadership	4	4 <sup>th</sup> participant: <i>“quality issues and satisfaction of the employees can lead to change in leadership thus modern strategic tools are used to mitigate these issues.”</i>

Slow economic growth	6	6 <sup>th</sup> participant: <i>“slowed economic growth is seen as an external factor which required the use of strategic tools so that the impact can considerably decreased.”</i>
Technological advances	3	3 <sup>rd</sup> participant: <i>“external factor such as technological advancement in India also required the use of strategic tools so that it can be integrated within the operations of the firm.”</i>
Increased diversification	8	8 <sup>th</sup> participant: <i>“satisfaction of the employees is vital for the growth of the company. Diversified workforce is one of the crucial aspect with regard to satisfaction of employees and this is can be achieved with the right applications of the strategic tools.”</i>
Effectiveness	5	5 <sup>th</sup> participant: <i>“Effective of the business is increased when the gaps are mitigated with the help of the strategic tools.”</i>
Nature of the business	9	9 <sup>th</sup> participant: <i>“Nature of the business is influenced by internal and external factors and thus strategic tools are used to evaluate these factors.”</i>
Output	8	8 <sup>th</sup> participant: <i>“Output of the business is surged when opinion of the experts are considered</i>

		<i>on certain subjects of discussion and can be achieved with strategic tools.”</i>
Strategy	2	2 <sup>nd</sup> participant: <i>“strategies are formulated by examining the internal and external factors laid out by these strategic tools.”</i>
Nature of problems	10	10 <sup>th</sup> participant: <i>“Nature of the problems are addressed through analysing the gaps within the business on the basis of the strategic tools.”</i>

8. How did you implement the mentioned strategic tools in your organization? What were the methods used?

Interviewee	Methods used	Statement
1	Organization wide	The strategic tools were throughout the organization.
2	Organization wide	The strategic tools were throughout the organization.
3	Organization wide	The strategic tools were being used in the organization throughout the organization.
4	Process wide	Organizations use these tools in different processes.
5	Process wide	These tools are used in different processes of the firms.
6	Organization wide	The strategic tools were being used in the organization throughout the organization.
7	Department wide	Different department use these tools to strategize their actions.
8	Department wide	Strategic tools have been used in departments.
9	Organization wide	The strategic tools were being used in the organization throughout the organization.
10	Department wide	Departments use strategic tools as per their requirements.

9. What are the different benefits of strategic tools you have observed in your organization after executing it?



Interviewee	Statement
1	Promotes teamwork and better decision – making
2	positive financial outcomes and minimize the operational costs
3	Promotes teamwork, better decision – making, positive financial outcomes and Minimize the operational costs
4	Performance evaluation, understanding needs of the consumers and minimize friction
5	Positive financial outcomes and minimize the operational costs
6	Promotes decision making and team work.
7	Promotes decision making, teamwork, positive financial outcomes and Minimize the operational costs
8	Understanding needs of the consumers and increase customer satisfaction
9	Promotes decision making, positive financial outcomes, teamwork and minimize the operational costs
10	Performance evaluation and minimize friction

10. What are the different challenges you have faced while executing strategic tools in your organization?

Interviewee	Statement
1	Resources barrier and vision barrier
2	Vision barrier and approach of one size fits all.
3	Clear understanding of strategic tools and one-size-fits-all approach
4	Vision barrier.
5	Resources and vision barrier
6	Resources barrier and clear understanding of strategic tools
7	Resources barrier and approach of one size fits all.
8	Vision and management barrier
9	Resources barrier and approach of one size fits all.
10	Vision barrier and clear understanding of strategic tools

11. Any other comments about the study:

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## Appendix II

### Survey Questionnaire to the employees

This questionnaire is prepared with the intention of analysing the application process of strategic tools in service companies in India.

#### **Section A: Demographic Profile**

12. Gender
  - Male (117)
  - Female (53)
13. Age
  - Less than 30 years (24)
  - 30-50 years (74)
  - More than 50 years (72)
14. Sector
  - Health care (14)
  - Tourism (18)
  - IT and other consultancy (36)
  - Banking and finance (89)
  - Education (13)
15. Experience in present organization
  - 1-3 year (71)
  - 4-8years (66)
  - More than 8 years (33)

#### **Section B: General background**

1. Does your organization use any strategic tools in its operation?
  - Yes (114)
  - No (48)
  - Not sure (8)
2. What following strategic tools are used in your organizations?
  - Conventional tools- SWOT and balanced score cards, Six Sigma, PESTLE analysis, and five force analysis, Relationship marketing, Price analysis, Cost-benefit analysis (104)
  - Modern strategic tools- JIT, TQM, ABC, Hyper-competition, Employees' satisfaction analysis, and Delphi technique (28)
  - Personalized strategic tools- Gap analysis, Lean manufacturing, Process mapping, Core competence, Business process re-engineering, resource based approaches, BCG Matrix and Financial modelling (38)
3. How frequently are the strategic tools being used in your organization?
  - Once in a year (112)

- Once in 4 months (49)
  - Twice in a year (6)
  - Not sure (3)
4. Do these strategic tools benefit your organization?
- Yes (117)
  - No (41)
  - Not sure (12)
5. How effective has been the strategic tools?
- Very much (96)
  - Moderate (28)
  - Not sure (46)

### **Section C: Inferential Analysis**

*This is based on 5 Likert scale whereby*

*1 = strongly disagree, 2 = disagree, 3 = not sure, 4 = agree, and 5 = strongly agree.*

1. The impact of the strategic tools and its application on service industry in India.
  - Strongly disagree
  - Disagree
  - Not sure
  - Agree
  - Strongly agree
2. The factors that led to the employing of particular strategy tools?

Sl. No.	Factors	1	2	3	4	5
A1	Mitigating competition					
A2	Organizational transformations					
A3	Cultural factors					
A4	Change in leadership					
A5	Slow economic growth					
A6	Technological advances					
A7	Increased diversification					

3. What are the factors that led to the selection of particular strategy tools?

Sl. No.	Factors	1	2	3	4	5
B1	Effectiveness					
B2	Nature of the business					
B3	Output					
B4	Strategy					

B5	Nature of the problems					
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4. What are the associated benefits and challenges of applying strategy tools in service industry?

Sl. No.	Factors	1	2	3	4	5
Benefits						
C1	Minimize friction					
C2	Promotes teamwork					
C3	Promotes enhanced learning and innovation					
C4	Understanding the firm and its environment					
C5	Enhance communication, control and coordination					
C6	Better decision - making					
C7	Positive financial outcomes					
C8	Minimize the operational costs					
C9	Performance evaluation					
C10	Understanding needs of the consumers					
C11	Increase customer satisfaction					
C12	Growth in market share					
Challenges						
D1	Vision barrier					
D2	Management barrier					
D3	Resources barrier					
D4	Clear understanding of strategic tools					
D5	One-size-fits-all approach					

## Appendix III

### Correlation table

Correlations	Correlations						
	One-size-fits-all	Clear understanding of resources barrier	Management barrier	Vision barrier	Growth in market	Increase customer	Understanding needs of performance evaluation
One-size-fits-all	-0.168*	0.024	-0.146	-0.014	-0.020	-0.087	-0.158*
Clear understanding of resources barrier	.514**	.449**	.494**	.484**	.472**	.446**	.495**
Management barrier	.435**	.779**	.409**	.544**	.522**	.447**	.429**
Management barrier	.546**	.525**	.519**	.445**	.509**	.423**	.521**
Vision barrier	.415**	.826**	.389**	.440**	.465**	.374**	.403**
Growth in market	.171*	.160*	.194*	0.065	0.111	0.054	.160*
Increase customer	.460**	.497**	.426**	.584**	.660**	.581**	.453**
Understanding needs of performance evaluation	.477**	.546**	.443**	.661**	.576**	.578**	.458**
Performance evaluation	.466**	.463**	.432**	.505**	.826**	.808**	.452**
Minimize the	.964**	.531**	.929**	.391**	.480**	.445**	.944**
Positive financial	.968**	.550**	.933**	.410**	.499**	.465**	1
Better decision -	.933**	.569**	.911**	.392**	.477**	.445**	.902**
Enhance communication	.485**	.483**	.450**	.539**	.925**	1	.465**
Understanding the firm	.518**	.516**	.484**	.590**	1	.925**	.499**
Promotes enhanced	.430**	.544**	.396**	1	.590**	.539**	.410**
Promotes teamwork	.965**	.544**	1	.396**	.484**	.450**	.933**
Minimize friction	.570**	1	.544**	.544**	.516**	.483**	.550**
The impact of the	1	.570**	.965**	.430**	.518**	.485**	.968**
Pearson Correlation The impact of the		Pearson Correlation Minimize friction	Pearson Correlation Promotes teamwork	Pearson Correlation Promotes enhanced	Pearson Correlation Understanding the firm	Pearson Correlation Enhance communication	Pearson Correlation Better decision -
							Pearson Correlation Positive financial

\*\*, Correlation is significant at the 0.01 level (2-tailed).

-161*	-0.098	-0.082	-0.034	0.038	0.141	0.073	-0.013	-0.061	1
.484**	.320**	.465**	.426**	-0.023	.452**	.746**	.458**	1	-0.061
.398**	.472**	.507**	.528**	-0.022	.723**	.494**	1	.458**	-0.013
.516**	.385**	.419**	.475**	-0.029	.610**	1	.494**	.746**	0.073
.377**	.414**	.421**	.451**	0.005	1	.610**	.723**	.452**	0.141
.161*	0.105	0.038	0.044	1	0.005	-0.029	-0.022	-0.023	0.038
.419**	.525**	.539**	1	0.044	.451**	.475**	.528**	.426**	-0.034
.440**	.517**	1	.539**	0.038	.421**	.419**	.507**	.465**	-0.082
.420**	1	.517**	.525**	0.105	.414**	.385**	.472**	.320**	-0.098
1	.420**	.440**	.419**	.161*	.377**	.516**	.398**	.484**	-1.61*
.944**	.452**	.458**	.453**	.160*	.403**	.521**	.429**	.495**	-1.68*
.898**	.427**	.412**	.416**	0.134	.445**	.536**	.440**	.481**	-1.58*
.445**	.808**	.578**	.581**	0.054	.374**	.423**	.447**	.446**	-0.087
.480**	.826**	.576**	.660**	0.111	.465**	.509**	.522**	.472**	-0.020
.391**	.505**	.661**	.584**	0.065	.440**	.445**	.544**	.484**	-0.014
.929**	.432**	.443**	.426**	.194*	.389**	.519**	.409**	.494**	-0.146
.531**	.463**	.546**	.497**	.160*	.826**	.525**	.779**	.449**	0.024
.964**	.466**	.477**	.460**	.171*	.415**	.546**	.435**	.514**	-1.68*
Pearson Correlation Minimize the	Pearson Correlation Performance evaluation	Pearson Correlation Understand the needs of	Pearson Correlation Increase customer	Pearson Correlation Growth in market	Pearson Correlation Vision barrier	Pearson Correlation Management barrier	Pearson Correlation Resources barrier	Pearson Correlation Clear understanding	Pearson Correlation One-size-fits-all

\*,  
Correlation  
is  
significant  
at the 0.05  
level (2-  
tailed).